

This English translation is provided for information purpose only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

May 23, 2013

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hiroyuki Suzui, Representative Director

Contact:

Kazuyuki Udo
Director and Officer
Management & Planning Office
Phone: +81-3-6422-0530

Notice Concerning Prepayment of Loans

In association with the asset disposition announced by “Notice Concerning Disposition of Asset (Hotel Vista Hashimoto)” dated today, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) will make prepayment of some loans below (JPY366M in total. Hereinafter called “Prepayment”) according to the loan agreements concluded with the financial institutions as to today as follows:

1. Detail of the prepayment

Lenders	Date of borrowing	Repayment due date	Initial loan amount (JPY1,000)	Present loan balance (JPY1,000)	Amount of prepayment (JPY1,000)	Prepayment date (plan)	Loan balance after prepayment (JPY1,000)*
Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. Sampo Japan Insurance Inc. The Nomura Trust and Banking Co., Ltd.	March 29, 2013	March 31, 2014	2,949,980	2,949,980	45,580	June 28, 2013	2,904,400
Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited	March 31, 2011	September 30, 2015	2,800,000	2,507,330	189,620	June 28, 2013	2,317,710
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Shinsei Bank, Limited	May 31, 2011	September 30, 2014	5,300,000	4,810,050	131,710	June 28, 2013	4,678,340
Total			11,049,980	10,267,360	366,910		9,900,450

*The above is the loan balance before the contractual repayment on the prepayment day.

<Reference>

The status of the interest-bearing debts before and after the prepayment (plan)

(JPY1M)

Category		Before prepayment (*2)	After prepayment (*2)(*3)	Variance
	Short-term loan	2,949	2,904	-45
	Long-term loan that needs to be repaid within one year	12,644	12,644	0
	Long-term loan	56,343	56,022	-321
Total loans		71,937	71,570	-366
Investment Corporation Bond		2,000	2,000	0
Total interest-bearing debts		73,937	73,570	-366

(*1) The figures less than JPY1M is rounded down.

(*2) The balance after the contractual repayment on the end of May 2013 (JPY1.625M) .

(*3) The balance before the contractual repayment on the prepayment date. The amount of the contractual repayment on the prepayment day is JPY176.375M.

* Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/>